



ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Felecia A. Rotellini
Superintendent of Financial Institutions

Janet Napolitano
Governor

NEWS RELEASE

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DFI Removes Former Mortgage Broker and Loan Originator from the Mortgage Industry

Arizona Department of Financial Institutions' ("DFI") Superintendent, Felecia Rotellini, issued a final order prohibiting former mortgage broker and loan originator Rick T. McCullough from working within the financial services industry.

On June 23, 2008, a hearing was held at the Office of Administrative Hearings following Mr. McCullough's default. DFI presented evidence along with witnesses' testimony relating to two alleged fraudulent mortgage transactions aimed to defraud senior residents in Phoenix.

On July 11, 2008, Administrative Law Judge Kay Abramsohn concluded that the evidence presented by DFI "clearly and conclusively establishes" that McCullough's actions and failures included: (1) concealing essential material facts; (2) misrepresentations and making false promises; (3) failing to maintain good standing with the Arizona Corporation Commission; (4) failing to comply with the Real Estate Settlement Procedures Act ("RESPA") and the Consumer Credit Protection Act ("CCPA") requirements; (5) failing to issue and/or maintain a statutorily correct written document agreement; (6) violating a prior DFI order; and (7) engaging in illegal or improper business practices.

By law, as a result of a final order, individuals found to be unfit or dishonest, or individuals convicted of a crime involving fraud and deceit may not be employed by any financial institution or enterprise regulated by DFI, without the Superintendent's prior approval.

In a separate action, McCullough was indicted by a State Grand Jury on June 23, 2008 on charges of fraud, theft, securities fraud, sale of unregistered securities, and transactions by unregistered dealers or salesmen. The indictment was the result of an investigation by the Securities Division of the Arizona Corporation Commission and DFI.

Superintendent Rotellini said that, "DFI will continue cooperating with the Arizona Mortgage Fraud Task Force participants to bring other bad actors to justice and remove them from the financial services industry."

All administrative removal orders and Notices of Hearing can be found at:
<http://www.azdfi.gov/Final/Intro.htm>.

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